CASE SUMMARY

Complaint against Housing Department for delaying the processing of application for Autopay and
unreasonably refusing the complainant to use Payment by Phone Service to pay rent

The Complaint

The complainant alleged that Housing Department (HD) had delayed processing his application for Autopay and unreasonably refused to allow him to pay rent via Payment by Phone Service (PPS). As a result, his family members had to pay in cash and experienced much inconvenience.

Sequence of Events

2. Since 1998, HD has accepted rent payment by PPS. HD has stipulated that tenants could not use both Autopay and PPS and has to choose one of the options, to avoid double payment.

3. On 7 June 2001, the complainant went through the formalities of applying for Autopay at the estate office. Having checked the information and confirmed that the unit of the complainant’s parents had not been registered for payment by PPS, the staff of the estate office referred the completed “Autopay - Direct Debit Authorization” to the bank for processing. HD indicated that such applications would normally be approved within three months.

4. After a lapse of three months, the complainant still had not heard from HD and so went to the estate office to apply for rent payment by PPS on 25 September 2001. As his application for Autopay had not yet been cleared, HD computer records showed the unit in question as not having opted for Autopay. The staff of the estate office thus accepted his application for PPS and gave him a PPS Tenant Code. From then on, HD computer records indicated that the unit had opted for PPS.

5. As the unit had been registered for rent payment by PPS, HD Headquarters rejected the complainant’s application for Autopay in accordance with the stipulation stated in paragraph 2 above. On 16 October 2001, on the decision of the Headquarters, the staff of the estate office explained the position to the complainant’s father and asked him to advise the complainant that if he wanted to pay rent by Autopay, he would have to go through the formalities again.

6. On 5 November 2001, the estate office cancelled the complainant’s PPS Tenant Code. Consequently, the complainant was unable to pay rent by PPS. HD’s belief was that the complainant had originally intended to use

Autopay. His PPS Tenant Code was therefore cancelled to facilitate his application for Autopay. That was why the rent paid by the complainant via PPS for December, January and February could not be credited into the account for the unit.

The Ombudsman's Comments

7. According to HD, not allowing tenants to use both Autopay and PPS to pay rent aims to ensure that they would not make double payment, which may cause them financial loss and psychological stress.

8. This Office has doubts about this view. As PPS requires tenants to input their data personally, double payment is unlikely. However, this Office understands that relaxation of the stipulation may involve technical problems (e.g. accounting and computer support).

9. The complainant submitted the completed "AutoPay – Direct Debit Authorization" to the estate office on 7 June 2001. HD did not reject his application until 16 October 2001 i.e. four months later, HD was unable to explain why it could not process his application within three months as forecast.

10. In this light, HD had delayed the processing of the complainant's application for Autopay.

11. HD said it normally took three months to process applications for autopay. This Office is of the view that it reflects HD's inefficiency. By comparison, Rating and Valuation Department pledges to complete the processing of such application "within seven working days upon receipt of bank notification" and Water Supplies Department "within three working days upon receipt of bank notification". HD should therefore improve its efficiency.

12. HD said that staff would advise applicants not to use both PPS and Autopay. This Office considers this practice inappropriate. If this stipulation is necessary, it should be stated clearly in the "Easy Rent Payment" pamphlet and relevant documents for tenants' information.

13. This Office also believes that HD's staff did not inform the complainant of the decision to cancel his PPS tenant Code on 5 November 2001, otherwise he would not have continued to pay by PPS.

Conclusions sand Recommendations

14. Against this background, The Ombudsman considers the complaint

substantiated.

15. The Ombudsman puts forth the following recommendations to the Permanent Secretary for Housing, Planning and Lands (Housing) for improving the service provided by HD:

(a) to apologise to the complainant in writing;

(b) to consider allowing tenants to pay rent by both autopay and PPS;

(c) to review the "Easy Rent Payment" pamphlet for a clear statement of HD's policy for tenants' information;

(d) to review and speed up the procedures for processing Autopay applications and to set a performance pledge; and

(e) to ensure timely notification before cancellation of any rent payment arrangement made by tenants.

Response from HD

16. HD has agreed to the findings of our investigation in total and would implement our recommendations accordingly.

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